

22 August 1951

MEMORANDUM FOR: Task Team Chairman SPP #26

FROM: Far East Staff

SUBJECT: Probable Developments in Far East through mid-1953

I. Introduction

1. The political situation in the Far East is presently characterized by such fluidity and contains so many important imponderables as to make the prediction of major developments in the region over a 2-year period extremely difficult. The Korean cease-fire negotiations and the Japanese Peace Treaty, for example, are two issues, as yet unresolved, which are likely to determine the course of events in the Far East (and the world in general) over the next several years. There are, however, some basic constants in the region which exert a profound influence on major trends and which can decisively condition the implementation of either Communist or Free World Far Eastern objectives. The most important basic factors stem from the dynamic force of nationalism which has come to full flower in the newly-won independence of many Asiatic countries and which is superimposed upon widespread poverty and administrative and technical inadequacy.

2. Compounding the difficulty of identifying major trends in the Far East is the fact that during the next two years such trends will largely be determined by the objectives and decisions of outside powers (particularly the USSR and the US).

3. The USSR (together with Communist China) is primarily concerned with:

(a) eliminating Western influence in the Far East; (b) installing indigenous

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Communist or Communist-dominated regimes; (c) denying Far Eastern natural resources and other strategic advantages to the West; (d) developing a self-sufficient Far Eastern war-making complex; (e) creating a modern military force in China, and (f) maintaining active Chinese Communist support for Soviet local and global policies and tactics.

4. The current US objectives in Asia (as stated in NSC 48/5, 17 May 1951) include: (a) detaching China as an effective ally of the USSR; (b) maintaining the security of the offshore defense line (Japan-Ryukyus-Philippines-Australia-New Zealand), denying Formosa to any regime aligned with or dominated by the USSR, and attempting to forestall aggression in South and Southeast Asia; (c) assisting Japan to become a self-reliant nation, friendly to the US; (d) promoting the development of effective security and economic relations among free nations of Asia; (e) continuing to seek through political means a favorable solution to the Korean problem, and (f) seeking to avoid extension of Korean hostilities into a general war with the Soviet Union or into hostilities with Communist China.

5. Although other countries, both inside and outside the region (e.g. the UK, France, India, Japan), will probably play a significant role in the Far East during the next several years, their influence will probably affect major trends and developments in terms of degree rather than kind.

6. Certain of the basic factors in the Far Eastern situation will work to the disadvantage of US security interests during the next two years: (a) the lingering suspicion of Western imperialist designs; (b) the frustration resulting from the experience that independence per se is not a cure-all for all economic, political, or social problems; (c) the widespread association of

Communism with nationalist resistance movements; (d) the apparent inability of the US and the Asiatic regimes it supports to overcome widespread insecurity, apathy, and fatalism and to instill in the peoples of these countries the realization that they themselves have a positive stake in the political and economic development of their countries as members of the Free World.

7. On the other hand, the following factors will work to the advantage of the US during the next few years: (a) US military successes in Korea (particularly if hostilities in that country are concluded on terms obviously favorable to the UN); (b) the industrial and military potential and the political stability of a pro-US Japan (which will become increasingly significant if a peace treaty is concluded along the lines of the UK-US proposal); (c) the fact that insurgent activity in the Philippines, Malaya, and Indochina appears, for the moment at least, to be contained; (d) the existence, in most of the countries of the region, of non-Communist governments, which at least are inclined toward neutrality, if they are not pro-US; (e) the growing realization throughout the region that Communist control means Soviet exploitation, and (f) US ability to provide economic and military aid to the various non-Communist countries in the Far East.

II. Probable Trends and Developments

8. The emergence of the dynamic government of Communist China will continue for the next several years to be the most immediate threat to US security in the Far East. The Peiping regime is lead by a veteran group of doctrinaire adherents to International Communist ideology and tactics. This regime will probably succeed within the next several years, particularly if the war in Korea is liquidated, in firmly establishing its internal control and in

withstanding successfully major efforts by external force or pressure to overthrow it. At the same time, the problems of political and economic consolidation and development in China are so serious that it is unlikely that Communist China will soon develop the total national power to enable her to mount a direct threat to the US. The Chinese Communists will pose a continuing threat, however, to the adjacent mainland areas of Korea and Southeast Asia where Chinese manpower, supported by Soviet material, may have a decisive influence. Over the next several years the Chinese Communists will attempt to provide ideological direction and assistance in terms of material or "volunteers" to the indigenous revolutionary movements of the Far East. Unless Western military forces are maintained in strength in the Far East during the period that strong indigenous non-Communist forces are being developed, the pressure of Communist China will result inevitably in the extension of Communist control in Korea, Indochina, Burma, and Malaya. Although the costly Communist experience in Korea or broad political considerations may result in a more cautious Chinese Communist military policy in the near future, there will continue, throughout the period of this estimate, an ever-present danger of large-scale Chinese Communist military aggression against the non-Communist forces on Taiwan and in Burma, Thailand, Indochina, and Korea.

*Para 1
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2. Within the next few years there are unlikely to be any developments in Sino-Soviet relations that will reduce the threat to US security interests in the Far East. Chinese Communist defensive and offensive military capabilities will be gradually increased by continuing Soviet material and technical assistance, and limited progress will be made in a long-range Soviet program for the integration of Chinese resources with the Soviet Far Eastern industrial complex.

10. Developments in Taiwan during the next two years ^{neither} will improve significantly the power position of the US in the Far East or reduce significantly the continuing threat to US security interests in the region. Although the Nationalist military forces will be gradually improved and may be able to conduct minor harassing raids on the China coast, the Nationalist regime will remain vulnerable to external Communist attacks, internal Communist subversion, economic deterioration, and the general inefficiency, corruption, and authoritarianism of its own officials. Furthermore, if the Communists seek a limited economic and political rapprochement with the West, US support of Taiwan and Nationalist activities on the mainland may seriously embarrass US policy objectives in South and Southeast Asia and, to a lesser degree, in Western Europe. The maintenance of the Nationalist position on Taiwan will continue to require large-scale US economic and military assistance.

11. Developments in Japan and the degree and nature of Japan's influence on developments in the Far East will largely depend on the outcome of the forthcoming San Francisco peace treaty conference. If a treaty is signed, the termination of the US occupation will weaken somewhat the US security position in the Far East, despite the arrangements to be made for the retention of US forces in and about Japan. If, however, as now seems likely, Japan rearms and collaborates with the US, the US security position in the region should improve as the potential capabilities of Japan are realized. The Japanese Communist Party will continue to provide but minor difficulties to the strongly entrenched conservative government unless widespread economic unrest develops. A Communist invasion of Japan is unlikely so long as substantial US military forces are present in the area. There will develop, however, considerable anti-foreign reaction -- including anti-US -- in a post-treaty Japan, and,

depending on the extent to which the US assists Japan in solving her economic problems, there will be a growing demand for economic collaboration with the China mainland. Furthermore, there is the ever-present possibility that as Japan rearms, opportunistic, authoritarian elements will re-emerge to direct Japan's foreign and domestic policies in a manner detrimental to US security interests.

12. Although it still appears likely that a cease fire in Korea along the present battle line will be achieved, there is little prospect for a political settlement. During the next two years, Korea will present a potentially explosive situation, and, if the existence of a non-Communist regime in the south is to be assured, extensive US-UN military, economic, and technical assistance will be required.

13. Southeast Asia will continue to be most vulnerable to Communist expansion. There is no early prospect anywhere in the area of the development of a strong non-Communist government, and there is a real danger that with increased Chinese Communist assistance, indigenous Communist movements may win control of substantial portions of Indochina and Burma within the next two years. Under these conditions, Thailand would probably be unable to long withstand Communist pressure, and security and stability in Malaya, Indonesia, and the Philippines would deteriorate further. In any event, there will probably develop an increasing need for US assistance in these areas while indigenous non-Communist regimes slowly develop the will and capability to mobilize their own national resources to make an effective contribution to their own defense.

III. Conclusion

During the period under consideration, Communist China, acting in

accordance with and probably on behalf of the USSR, will present a continuing and grave threat to US security interests in the Far East. A pro-US, economically and politically stable Japan will help somewhat to maintain the balance of power in Northeast Asia. In Southeast Asia, the US will be confronted with a precarious situation in which, at best, there will continue to be a tenuous balance between the abilities of non-Communist regimes to cope with dissidence and external threats and, at worst, the establishment through indigenous forces or Peiping aggression Communist control over a large part of the area.